

MONTANA WHEAT AND BARLEY COMMITTEE

Fall Board Meeting
State Capital Building
Helena, Montana
Room #152
September 30, 2013

The following were present for either a portion of or the entire meeting.

DIRECTORS

Milo Mattelin, Chairman
Randy Hinebauch, Director
Leonard Schock, Director
Tom Siderius, Director

Chris Kolstad, Vice Chairman
Bruce Myllymaki, Director
Not present: Frank Schoonover, Director

EX-OFFICIOS

Ron de Yong, Director, Montana Department of Agriculture
Dr. Glenn Duff, Interim Dean; MSU College of Agriculture
Not present: Byron Grassman, Manager, Mountain View Coop

STAFF

Kim Falcon, Executive Vice President
Cassidy Marn, Marketing Program Manager
Kolleen Spurgin, Budget and Grants Coordinator
Tammy Suek, Administrative Assistant

GUESTS

Governor Steve Bullock
Terry Whiteside, Freight Traffic Consultant, Whiteside and Associates
Joel Clairmont, Deputy Director, Department of Agriculture
Lochiel Edwards, Chairman, Prairie Marketing Group
Lola Raska, Executive Vice President, Montana Grain Growers
Ryan McCormick, President, Montana Grain Growers
Eric Sommer, Director, USDA-NASS
Ron Schumacher, Statistician, USDA-NASS
Libbi Lovshin, Administrator, Central Services Division, Department of Agriculture
Cort Jensen, Chief Staff Attorney, Department of Agriculture
Lori Cox, Director of Business Development, MSU Alumni Foundation
Kevin Brown, Director of Development, MSU Alumni Foundation
Michael Stevenson, CEO, MSU Alumni Foundation
Bruce Nelson, State Executive Director, Farm Service Agency
Dale Schuler, President, Montana Grains Foundation

*Chairman Milo Mattelin called the meeting to order at 8:07 a.m. After introduction of board members and guests, **Chairman Mattelin called for public comment and heard none.***

Director Myllymaki made the motion to adopt the tentative agenda and Director Hinebauch seconded it. The agenda passed unanimously.

Review of June 13, 2013 Meeting Minutes

The minutes of the June Board Meeting were presented.

Director Siderius moved and Director Myllymaki seconded the motion to approve the minutes. The motion passed unanimously.

Montana Department of Agriculture Update

Director de Yong inform the committee about Kim Falcon's move to the Rural Development's Bureau Chief position and how it will be a good fit for both her and the department. The interview committee for the new Montana Wheat and Barley Committee (MWBC) Bureau Chief will consist of two Department of Agriculture employees, two MWBC Directors and one other member.

The Director discussed the implications of removal of the 48 car rail transportation and that it will hurt the smaller elevators and the smaller commodity dealers who depend on the railroad for transportation.

The corn checkoff will be implemented perhaps by the 1st of the year. The Department of Agriculture would like to wait until the noxious weed fee increase has been approved. The Director has the ability to implement a statutory corn checkoff; the checkoff proposed would be \$.02 a bushel. It was suggested by Lochiel Edwards to go by a percentage instead. A name change for MWBC would have to be approved by the Legislature.

Montana Grain Growers

Ryan McCormick talked about the U.S. Farm Bill and said it has not changed since our last meeting. The battle is still over the food stamp program and SNAP program and whether to fund them in the farm bill. For now the farm bill will be put on the back burner until the government gets up and running again.

Kim said the government shutdown will affect the oversees staff of both U.S. Grain Council and U.S. Wheat Associates.

Ryan talked about the rail rate hike and the amount of shuttle loaders now available to producers.

Farm Service Agency Update

Bruce Nelson reported on what would happen to his office if the federal government were to shut down and which programs would be affected. He indicated that some payments would continue but others would be held up with the shutdown. He also added some information about the farm bill.

Northern Crop Institute Board Meeting

Chairman Mattelin attended the NCI Board meeting where they meet the new tech director, David Han. He also talked about the successful contracting acres workshop that the Soybean group sponsored and maybe something similar would work for our buyers. Kim also mentioned that the miller at NCI has resigned and they will be looking to replace her.

U.S. Grains Council Board Annual Meeting

Kim Falcon let the directors know about the Cairo, Egypt office closing because of the violence and safety of the employees. Tom Sleight, CEO of U.S. Grains Council received an excellent evaluation concerning the job he is doing for the council. Chairman Mattelin is on the new America's Committee for the council.

Break

U.S. Wheat Associates – World Staff Meeting

Kim Falcon reported that there were discussions on the China markets and the TCK and KB barriers. U.S. Wheat expressed concern about the Nigerian researcher at the Wheat Marketing Center and using wheat funding to support research for testing alternatives to wheat.

There was discussion about providing information on contracting acres to Mexican mills. GMO found in Oregon was discussed and different theories regarding sabotage or even geese dropping. There was talk of the lack of a farm bill and asking states to contribute more to help support the overseas staff.

Governor's Visit

Introductions were made and Governor Bullock discussed his upcoming visit to Canada and wanted the board's input about agriculture. Kim Falcon let him know there are several barriers that prohibit producers from exporting their grain to Canada. She offered to have talking points sent to him for his trip.

The directors were concerned about the next legislative session and the need to educate legislators about the Wheat & Barley Committee. Ryan McCormick thanked the governor for supporting research.

U.S. Wheat Associates Summer Board Meeting

Directors Schock and Kolstad and Cort Jensen attended the meeting in Rapid City. There was discussion of the GMO event and of the TPP endorsement. Cort had concerns that only supporters of U.S. Wheat were invited to the meetings, so he felt it was very one-sided.

MSU Alumni Foundation

Lori Cox, Kevin Brown and Michael Stevenson gave a presentation on the endowed chair including the benchmarks of \$1 million by 12/2013, \$2 million by 12/2014 and the final goal of \$5 million by 2018. The focus of this position funded by the endowed chair will be to increase yields through research. The hiring process will start after the 1st of the year.

Cort Jensen has met with the attorneys of all parties involved with the contract and let the board know that all the concerns will be put into the contract and agreed to.

Director Schock made a motion to sign the contract with the MSU Alumni Foundation once it has been completed. Director Hinebauch seconded it. The motion passed unanimously.

Trademark

Cort Jensen reported on the "Grown in Montana" trademark from the Department of Commerce that we can use with our buyers. It was decided to try it for a year and see if it is working.

International Travel

Libbi Lovshin went over the international travel policies to remind the directors to save meal receipts in order to get reimbursed. Chairman Mattelin asked about the currency transaction fee and possible reimbursement.

Transportation Update

Terry Whiteside presented his transportation report and talked about the 110 car vs the 48 car proposed by the railroad.

Lunch

Travel Overview

The board reviewed travel and decided travel participants in the next few months.

Legislative review

Cort Jensen suggested that any Legislative action the board wants in the next session should be decided at the next board meeting.

MSU Update

Glenn Duff, the Interim Dean introduced himself and updated the board on the search for a new dean. MSU enrollment is up and so are scholarships. Tom Blake will be retiring on December 31st, but will be offered a post retirement contract.

Program Manager Update

Cassidy Marn discussed surveys and that some samples were missing but she was working on tracking down additional samples for testing. The early results look good.

Executive Vice President's Update

Kim Falcon discussed the trade teams that visited Montana. We only have three teams left on the schedule and most of those are just briefings for quality information. She presented Steve Becker and Kent Pattison's reports for the directors to read.

It was suggested that the Wheat & Barley Committee might want to sponsor a contracting short course for some of our buyers. Kim's day at the Billings fair was great and well organized. She went to visit Briess Malting elevator in Ralston, WY.

Kim asked if Terry Whiteside uses the movement report put out by NASS and he stated that it was very useful. The Wheat & Barley office only uses the varietal report for trade teams.

The SAB Miller-Colombia will need to be visited in March again next year to continue to strengthen our relationship with them. Kim visited with them after the Pasta Association meeting this year.

We have discontinued funding for the Barley Foods Council and will work with North Dakota State University on food barley in the future. Kim suggested that Jeff Rumney might want to attend a cereal workshop in China in March as part of a U.S. Wheat project.

Financial Review

Kolleen Spurgin presented the FY 2012-2013 Year End and First Quarter FY 2014 Financial Statement and Collection update. Director Schock suggested that our current grant totals be added to the first page totals to have an accurate picture of the board finances.

At the December meeting the board will need to move finances to cover a new vehicle for the office.

Director Myllymaki moved to accept the financial statement. Director Hinebauch seconded the motion. The motion passed unanimously.

Election of Officers

Director Schock moved that Director Kolstad be named Chairman and Director Hinebauch be named Vice Chairman of the MWBC and Director Siderius seconded. The motion passed unanimously.

It was decided that Director Myllymaki and Schock serve on the Executive Director Search Committee with Chairman Kolstad as a backup in case one of the other could not attend.

Approval of Staff and Director Travel

Director Schock moved and Chairman Kolstad seconded the motion to approve the travel. The motion passed unanimously.

Upcoming Events

Oct. 6-7	Nisshin Trade Team – Great Falls
Oct. 12	Young Ag Conference – Butte
Oct. 14	Columbus Day – Office Closed
Oct. 14-19	Japan - 50 th Anniversary of Japanese Bakers
Oct. 18-19	MT Farmers Union Convention – Great Falls
Oct. 21	Mitsui/Torigoe Trade Team
Oct. 24-25	MSU Celebrate Ag Day – Bozeman
Oct. 26-Nov.2	U.S. Grains Council Barley Trip to Japan
Oct. 31-Nov.1	Wheat Marketing Center Board Meeting – Portland, OR
Oct. 31-Nov.1	Canadian Agriculture & Food Outlook Conference – Banff, Alberta
Nov. 1	Plains Grains Board Meeting – Portland, OR
Nov. 4-6	U.S. Wheat Fall Board Meeting – Portland, OR
Nov. 5-7	Missouri River Recovery Improvement Committee Meeting – Omaha, NE
Nov. 10-13	MT Farm Bureau Convention - Billings
Nov. 11	Veterans Day – Office Closed
Nov. 12	Crop Outlook & International Durum Forum – Minot, ND
Nov. 12-14	U.S. Wheat Canadian Trip – Winnipeg & Calgary
Nov. 17-20	Latin American Industrial Millers Association (ALIM) – Lima, Peru
Nov. 21-22	International Food Aid – Washington, DC
Nov. 26	Northern Crops Institute Board Meeting – Fargo, ND
Nov. 28	Thanksgiving Day – Office Closed
Dec. 3-5	Montana Grain Growers Convention – Great Falls
Dec. 8-11	DTN Ag Summit – Chicago, IL Leonard Schock
Dec. 25	Christmas Day – Office Closed
Jan. 1	New Year's Day – Office Closed
Jan. 15-16	Wheat Foods Council Board Meeting – Phoenix, AZ
Jan. 20	Martin Luther King, Jr. Day – Office Closed
Jan. 22-25	PNW Wheat Quality Council Section Meeting – Portland, OR
Jan. 29-Feb. 1	U.S. Wheat Associates Winter Board Meeting – Washington, DC
Feb. 10-12	U.S. Grains Council Annual Meeting – Long Beach, CA

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New Business

MWBC Interim Board meeting will be held December 2nd in Great Falls before the Montana Grain Growers Convention.

Changes in Board Assignments:

National Barley Foods Council and Institute of Barley & Malt Sciences were taken off the list of assignments. Director Siderius was added to Wheat Foods Council and Director Hinebauch was added to Wheat Quality Council.

After asking for public comment Chairman Mattelin adjourned the meeting at 3:00 pm.

Joel Clairmont, Deputy Director, Department of Agriculture

Date